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## **PROTOCOL**

It is my pleasure and a privilege to deliver the keynote address on the occasion of the 2<sup>nd</sup> Niger Delta Development Forum, organised by the Foundation for Partnership Initiatives in the Niger Delta (PIND) with the theme “Innovative Approaches for Repositioning Micro, Small and Medium Enterprises Development in the Niger Delta.” The overarching objective of this forum is to provide a platform and a unique opportunity for like minded organisations both public and private as well as individuals across the Niger Delta Region and beyond to evolve a strategic action plan that will reposition the micro, small and medium enterprises in the path of sustainable economic development and competitiveness. However, the topic of my address is **“Promoting Innovative Approaches for Micro, Small and Medium Enterprises Development in Nigeria.”**

It is my hope and desire that this address will evoke and trigger the interest of the stakeholders assemble here to evolve a pragmatic approach and strategic action plan that will reposition the MSMEs in Nigeria in addressing very key areas of employment generation, wealth creation, Poverty reduction and food security in the Niger Delta in particular and Nigeria in general.

## **INTRODUCTION**

There is growing recognition of the important role micro, small and medium enterprises (MSMEs) play in economic development. They play a pivotal role through several pathways that goes beyond job creation. They are growth-supporting sector that not only contribute significantly to improve living standards, but also bring substantial local capital formation and are responsible for driving innovation and competition in developing economics. Governments at all levels have undertaken initiatives to promote the growth and development of MSMEs. The general perspective is that SMEs is seen as accelerating the attainment of broad socio-economic objectives, including poverty reduction, employment generation, wealth creation, etc.

Micro, small and medium enterprises account for over 90% of the total business enterprises in Nigeria and have been noted to provide about 85% of employment (SMEDAN/NBS, 2010). Small enterprises in Ghana are said to be a characteristic feature of the production landscape and have been noted to provide about 85% of employment in Ghana. MSMEs are also believed to contribute about of Ghana's GDP and account for about 92% of businesses in Ghana. Similarly, in the Republic of South Africa, it is estimated that 91% of the formal business enterprises are small, medium and micro enterprises. They also contribute between 52 and 57% to GDP and provide about 61% of employment. MSMEs therefore have a crucial role to play in stimulating economic development, generating employment, and contributing to poverty reduction, given their economic weight in Nigeria.

## **MSMES DEFINED**

There is no universally accepted definition of what constitute micro, small or medium enterprise. The definition of enterprises by size varies from country to country. Some attempt to use the total assets while others use skill of labour and turnover level. Others define MSMEs in terms of their legal status and method of production.

The European Commission (EC) defined MSMEs largely in terms of the number of employees as follows:

- Enterprises with 0 to 9 employees- micro enterprises;
- 10 to 99 employees-small enterprises
- 100-499 employees- medium enterprises.

Thus, the SME Sector is comprised of enterprises (except agriculture, hunting, forestry and fishing) which employ less than 500 persons. In effect, the EC definitions are based solely on employment band rather than a multiplicity of criteria.

The UNIDO also defines SMEs in terms of number of employees by giving different classifications for industrialised and developing countries. The definition for industrialised countries is given as follows:

- Large-enterprises with 500 or more workers;
- Medium-enterprises with 100-499 workers;
- Small-enterprises with 99 or less workers.

The classification given for developing countries is as follows;

- Large-enterprises with 500 or more workers;
- Medium-enterprises with 20-99 workers
- Small-enterprises with 5-19 workers
- Micro-enterprises with less than 5 workers.

In Nigeria, the introduction of the National Policy on MSMEs has addressed the issue of definition as to what constitutes micro, small and medium enterprises. The definition adopts a classification based on dual criteria, employment and assets (excluding land and buildings) as shown below:

S/N	Size Category	Employment	Assets (=N= Million) (excl. land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10 to 49	5 to less than 50
3	Medium enterprises	50 to 199	50 to less than 500

Source: National Policy on MSMEs

- Micro Enterprises are those enterprises whose total assets (excluding land and buildings) are less than Five Million Naira with a workforce not exceeding ten employees.
- Small Enterprises are those enterprises whose total assets (excluding land and building) are above Five Million Naira but not exceeding Fifty Million Naira with a total workforce of above ten, but not exceeding forty-nine employees.
- Medium Enterprises are those enterprises with total assets excluding land and building) are above Fifty Million Naira, but not exceeding Five Hundred Million Naira with a total workforce of between 50 and 199 employees.

If there exists a conflict on classification between employment and assets criteria (for example, if an enterprise has assets worth seven million naira (N7M) but employs 7 persons), the employment-based classification will take precedence and the enterprise would be regarded as micro.

## GENERAL CONSTRAINTS TO MSME DEVELOPMENT

MSMEs are necessary for the economic development and growth in Nigeria, certain peculiar constraints continued to militate against their optimal performance. Some of these constraints are internal while some are external. Among the internal ones are:

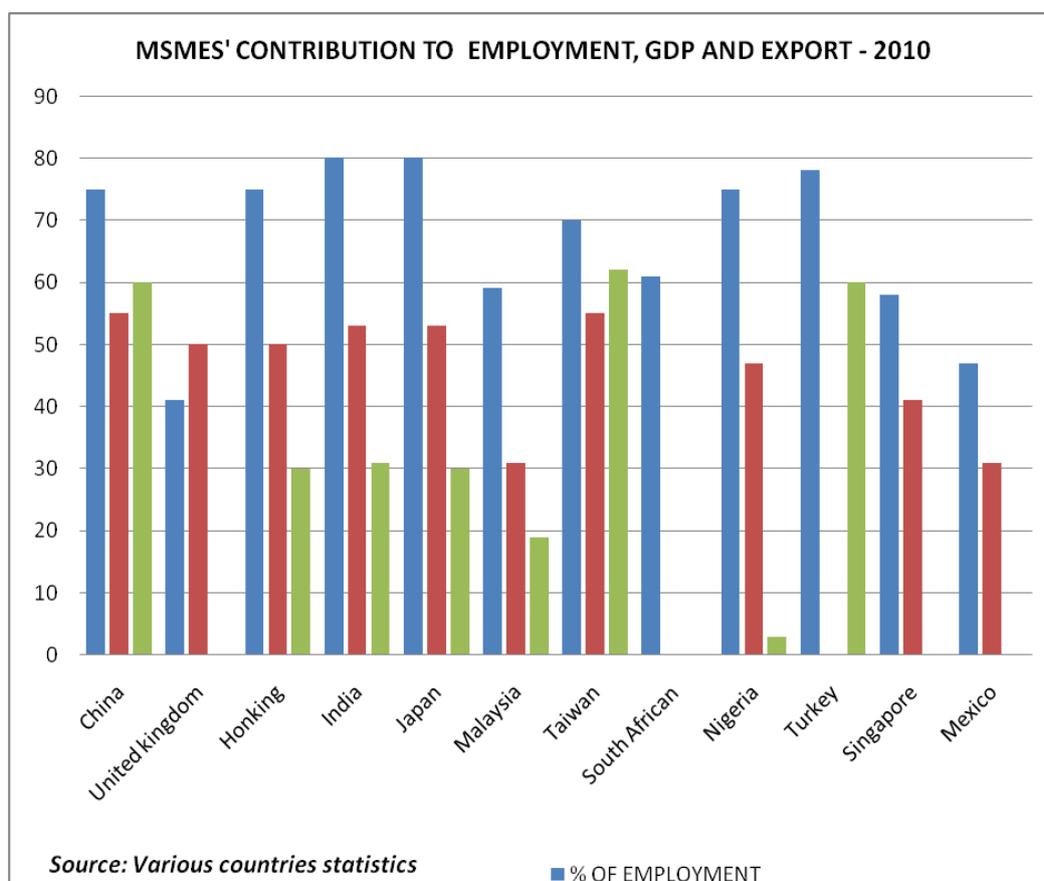
- Poor entrepreneurial capacity of operators in successfully running MSMEs.
- Aversion to joint ownership is a major setback in achieving the desired relevance of MSME operations.
- Family ties/interferences are major constraints in running personnel recruitment/placements, discipline, etc.
- Weak financial management.
- Non-recruitment of qualitative staff as a result of keeping running cost low usually affects the quality of output from such organizations.
- Poor record keeping especially accounting books makes evaluation either by the business owner or potential investors difficult.
- Lack of standardization of products has the capacity of reducing market share with negative impact on funding.

- Low capacity to invest in R&D have not allowed for new, cheaper and better methods of production.
- Low use of ICT in operations has a direct effect on cost of production thereby making MSMEs unattractive.

Among the external constraints are:

- Poor state of infrastructure: MSMEs need steady power supply, water, roads, markets, etc for effectiveness.
- Poor access to appropriate and affordable workspace.
- Inability to access affordable finance: Access to finance is a major constraint hindering MSMEs' growth. Most financial institutions tend to address the financial needs of large enterprises leaving MSMEs unattended to.
- Low synergy between various tiers of government: The absence of synergy between the different tiers of government has not allowed the growth and development of the MSMEs' sub-sector.
- Multiplicity of taxes: In an attempt to generate funds for their different levels of administration, governments at various levels have imposed all kinds of taxes/levies on MSMEs thereby hampering their survival.
- Inappropriate technology: The financial status of most MSMEs does not allow them to access appropriate technology.
- Dearth of business information/data bank: Most MSMEs operate with little or no business information or data. This does not allow them to make informed decisions necessary for optimal performance.
- Poor inter/intra sectoral linkages: The absence of linkages/cooperation between MSME operators and the large enterprises is a major problem affecting the growth of the sub-sector.

## CONTRIBUTIONS OF MSMEs TO ECONOMIC DEVELOPMENT



### THE SMALL AND MEDIUM ENTERPRISES DEVELOPMENT AGENCY OF NIGERIA (SMEDAN)

The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established vide the Small and Medium Scale Industries Development Agency (Establishment) Act 2003 and charged with the responsibility of promoting and facilitating the development programmes in the micro, small and medium enterprises sector. The Act enacted by the National Assembly came into force on 19<sup>th</sup> June, 2003. The Agency is a “one stop shop” for nursing and nurturing micro, small, and medium enterprises in Nigeria. Consequently, the Small and Medium Development Agency of Nigeria (SMEDAN) has since inception been in the forefront of developing and promoting micro, small and medium enterprises and entrepreneurs. The enterprises and entrepreneurs have continued to manage and grow their businesses in spite of the obvious constraints. Through mind-blowing innovative concepts, they continue to stretch the frontiers and landscapes of their individual’s enterprises, and accordingly, they are capturing a bigger slice of their target markets and establishing themselves as points of reference in this sector.

SMEDAN as a child of necessity is now the voice of the MSMEs in Nigeria.

**Vision:** To establish a structured and efficient micro, small and medium enterprises sector that will enhance sustainable economic development of Nigeria.

**Mission:** To facilitate the access of micro, small and medium entrepreneurs/investors to all resources required for development.

**Mandate:** The mandates of SMEDAN as contained in the enabling Act are listed below:

- I. Initiating and articulating policy ideas for micro, small, and medium enterprises growth and development;
  - II. Stimulating, Monitoring and Coordinating the development of the MSMEs sector;
  - III. Promoting and facilitating development programmes, instruments and support services to accelerate the development and modernization of MSMEs;
  - IV. Serving as a vanguard for rural industrialization, poverty reduction, and job creation and thus facilitating enhanced sustainable livelihoods;
  - V. Linking MSMEs to internal and external sources of finance, appropriate technology, technical skills as well as to large enterprises;
  - VI. Overseeing monitoring and coordinating the development of the MSMEs sector;
  - VII. Promoting and providing access to industrial infrastructure, such as layouts incubators and industrial parks;
  - VIII. Providing assistance to MSMEs in marketing their products.
  - IX. Mobilizing internal and external resources, including technical assistance, for the development of MSMEs;
  - X. Promoting the familiarization, sub-contracting, networking, and crosscutting strategic linkages between MSMEs and other economic sub-sectors;
  - XI. Creating beneficial linkages between MSMEs and research institutes/universities;
  - XII. Providing extension services to MSMEs;
  - XIII. Monitoring implementation of government directives, incentives and facilities for MSMEs development;
  - XIV. Recommending to government required amendments to business regulatory frameworks for ease of enterprise development.
- XV.** Working in concert with other institutions in both public and private sectors to create a good enabling environment of business in general, and MSMEs activities in particular

#### **THE SMEDAN's INNOVATIVE APPROACH**

Conscious of our mandate and the strategic position we occupy in fostering a viable and vibrant MSMEs in Nigeria. The Agency is prepared and ready to collaborate with both local and international institutions in the realization of its mandate. Our approach centre on the following areas:

## **I. Sourcing, Processing and Disseminating Business Information**

We create and regularly update databank on MSMEs, raw materials, markets, available local technologies/machinery, and prototypes.

## **II. MSME Policy Development**

Formulate and ensure due approval and implementation of an MSME policy for Nigeria, conduct impact assessment studies and use same to recommend improvements in policy intervention and conduct regular stakeholders' fora.

## **III. Establishing Business Support Centres and Business Information Centres(BSCs and BICs)**

The centres provide the following services:

- Model business-planning skills
- Mentoring professional services such as Accounting, Financing and Book-Keeping
- Industrial Dynamics and Technology Assessment
- Legal and taxation advisory services
- Demonstration models to private sector service providers
- General business consultation

## **IV. Capacity Building and Promotional Services**

--- Vertical linkage of MSMEs with large enterprises

--- Organisation of MSMEs into clusters and co-operatives to enhance their productivity and have easier access to factors of production

--- Arrangement/facilitation of trade and technology exposition

--- Provision of market support information system

--- Encouragement and facilitation of new investments in designated priority areas in each state of the federation

## **V. Establishment of Industrial Parks**

SMEDAN, through public-private partnership, is facilitating the establishment of Industrial Parks and Regional MSMEs Development Centres. Each park comes with industrial buildings, and offers MSMEs the following facilities on a cost-sharing basis- security, electricity, water, buying centres, service providers, petrol station, and capital-intensive technologies.

## **VI. Enhancing MSMEs Access to Finance**

Liaise with financial institutions to harness and pool resources for utilization by MSMEs. Assisting in sharpening their business plans for possible financial assistance from Micro-finance banks and development banks. Constantly liaise with other institutions for the establishment and operation of MSMEs Credit Guarantee Scheme.

## **VII. Networking**

We are collaborating with Trade Groups, NGOs, Government Ministries and Agencies, Research and Technological Institutions and Multilateral/Donor Agencies etc to create a dynamic network of stakeholders in the development of

MSMEs sub-sector of the economy. The Agency's continued talks on a number of strategic partnerships with both private and public sector institutions to advance the course of MSMEs in Nigeria.

### **VIII. The National Policy on Micro, Small and Medium Enterprises**

We are currently reviewing the National MSME policy to make it meet international best practice using the United Nation Conference on Trade and Development (UNCTAD) Entrepreneurship Policy Framework. This is to fashion out strategy and programmes towards the development of MSMEs in Nigeria in a structured and efficient manner.

### **IX. Implementation of the Sub-Contracting and Partnership Exchange (SPX)**

*The Agency signed a Memorandum of Understanding (MOU) with the United Nations Industrial Development Programme (UNIDO) on the Sub-Contracting and Partnership Exchange (SPX) Programme. The Programme is a unique enterprises-linkage tool by UNIDO for promoting investments, sub-contracting, out-sourcing and match making for products and enterprises in the MSME sector. It links the MSME sub-sector in a host country to a credible global database of manufacturing concerns that is beneficial to both manufacturers and buyers of goods both within and outside the country. UNIDO is to provide technical assistance while the Agency provides office space, furniture and human resources. In line with this, the Business Support Centre (BSC) Matori, Lagos is hosting the SPX Project.*

### **X. Entrepreneurship Development Programmes**

We have trained many Entrepreneurs in our various programmes tailored towards the required needs of the beneficiaries.

- Faith base initiatives
- Women Entrepreneurship Development Programme
- Youth Entrepreneurship Development Programme
- Students Entrepreneurship Development Programme
- Corpers Entrepreneurship Development Programme
- General Entrepreneurship Development programme
- Public Service Entrepreneurship Development Programme
- Cluster Entrepreneurship Development Programme

### **XI. Seminars, Conferences and Workshops**

We have over the years organized seminars, conferences, and workshops to sensitize the public towards being their own bosses as well as inculcating the spirit and culture of entrepreneurialism among the students, youths, and women.

## **XII. Trade Fairs and Trade Exhibitions**

We have since inception organized various MSMEs trade fairs and exhibitions to create markets.

### **SMEDAN AND THE NIGER DELTA REGION**

SMEDAN has been in the forefront in tackling the problems in the Niger Delta Region as regards employment generation and poverty reduction since inception. SMEDAN was very active in the Amnesty Programme and played a key role in the committee. In 2009, the capacity building needs assessment for business development services in the Niger Delta Region was commissioned by SMEDAN to help improve the productivity, competitiveness, and employability of the Niger Delta Youth. The study assessed the capacity gaps and needs for business development in the Niger Delta so as to plan entrepreneurial development programmes for the youth population in the nine states of the region. The study assisted in developing in an analytical basis SMEDAN Programme components in helping address the Niger Delta Youth unemployment issues and to make recommendations based on data analysis, types of interventions needed in order to help develop the region's work force and create jobs.

SMEDAN has been organising entrepreneurship development training programmes in the region and nudging them into cooperatives for further assistance.

SMEDAN is now starting small businesses for some of the Ex- militants in collaboration with the Ministry of Niger Delta Affairs.

SMEDAN in collaboration with the Ministry of Niger Delta Affairs is proposing to train 2,200 non-militant Niger Delta Youth in Agro-Allied. The training is expected to cover, crop production, food preservation, aquaculture, livestock, and poultry.

SMEDAN is working with several private sector organisations in impacting positively on the communities within the region. We are also working with some of the state government within the region in advancing entrepreneurship and enterprise development that will bring about wealth and employment creation, generate income, reduce crime and restiveness and ensure self-sufficiency in food production.

### **THE 2010 NATIONAL MSME SURVEY-KEY FINDINGS**

The key findings as revealed in the 2010 National MSME Survey are as follows:

#### **1. INITIAL START-UP CAPITAL.**

The result of the survey shows that the initial start – up capital of micro enterprises were predominantly less than fifty thousand Naira (81%). While Small and Medium enterprises were predominantly less than ten Million Naira, constituting 83.2%.

#### **2. TOTAL NUMBER OF ENTERPRISES**

The total number of micro enterprises stood at 17,261,753, Small 21,264 and Medium 1,654, totalling 17,284,671.

### **3. TOTAL NUMBER OF ENTERPRISES BY SECTOR**

The result of the survey revealed that for small and medium enterprises, manufacturing sector has the highest number of enterprises, comprising 5,939 small enterprises and 713 medium enterprises, totalling 6,652 enterprises. The lowest number of 134 small enterprises and 33 medium enterprises, totalling 167 enterprises comes from Mining and Quarrying. But for micro enterprises, wholesale/retail trades, repair of motor vehicles and household goods had the highest record of enterprises (53.2%), while health and social work had the lowest figure of 0.1%.

### **4. TOTAL NUMBER OF ENTERPRISES BY STATE**

The survey result showed that Lagos State has the highest number of small and medium enterprises, comprising 4,146 small enterprises and 389 medium enterprises, totalling 4,535 enterprises.

The lowest number of enterprises is recorded in Bayelsa State with 134 small enterprises and zero medium enterprise. In terms of micro enterprises, Lagos state had the highest figure of 880,805 enterprises, followed by Kano (872,552 enterprises), while Abuja (FCT) had the lowest record of (272,579 enterprises).

### **5. THE MAIN CHALLENGES CONFRONTING THE OPERATIONS OF MSMEs IN NIGERIA.**

The main challenges and constraints confronting the operations of MSMEs in Nigeria were ranked in order of severity as lack of access to finance, weak infrastructure and inconsistency of government policies, lack of work space, and multiple taxation.

### **6. MSMEs CONTRIBUTION TO EMPLOYMENT**

The survey reveals that, a total of 32,414,884 persons were employed by the sector as at December 2010. This consists of 39,478 persons in the small and medium enterprises, representing 22,139 males (56.1 percent) and 17,339 females (43.9 percent). The micro enterprises employed 32,375,406, comprising 18,662,943 males and 13,712,463 females representing 57.65 percent and 42.35 percent respectively.

### **7. OWNERSHIP STRUCTURE BY GENDER**

The female entrepreneurs accounted for 42.1% in the ownership structure as against 57.9% for male in micro enterprises. While female accounts for 13.57% as against 86.43% for male in the Small and Medium Enterprises.

### **8. OWNERSHIP STRUCTURE BY AGE.**

The Age bracket of 36-50years dominates, accounting for 41.6% as against 27.9% for 26-35 years and 6.6% below 25 years of age in the micro enterprises category. In the small and medium enterprises category, 36 -50 years of age also dominates, accounting for 43.6% as against of 13.40% for under 36 years of age.

## **9. SKILLS GAP BY SECTOR**

Qualified artisans are predominantly readily available in the education sector (66.9%), followed by Health and Social sector (65.9%) and transport, storage and communication sector (56.9%) in the micro enterprises. In the Small and Medium enterprises, qualified artisans not readily available stood at 46.1%, 40%, 32.0%, and 30.2% for education, agriculture, Manufacturing and Building/Construction respectively.

## **10. CAPACITY UTILIZATION**

The average capacity utilization in manufacturing sector is 56.4%, while the average in mining and quarrying sector is 49.6%. The mining and quarrying sector is operating below optimum capacity.

## **11. PRIORITY AREAS OF ASSISTANCE**

The survey revealed three priority areas of assistance to MSMEs as Access to finance, provision of infrastructure (roads, market, and workspace) adequate and regular power and water supply.

## **12. OWNERSHIP OF PATENT RIGHTS**

About 94.7% of the micro enterprise do not have patent right. Hence their intellectual property are not protected. In the small and Medium enterprises category about 64.1% do not have patent right too. They are also ignorant of the availability of patent information, such patent information will advance and improve their process and produce know-how making them to be globally competitive.

## **13. BUSINESS INSURANCE OF MSMEs**

Only 42.5% of the Small and Medium enterprises are insured, leaving 57.5% as uninsured. In the micro enterprises, about 98.5% are not insured.

## **14. MEMBERSHIP OF ASSOCIATIONS**

In the small and medium enterprises about 61.0% do not belong to any association while for micro enterprises, 86.5% do not belong to any association.

## **15. SOURCES OF CAPITAL**

The sources of capital for the enterprises are predominantly personal savings, representing 84.6% for micro enterprises and 54.4% for small and medium enterprises. Family sources and loan stood at 29.8% and 9.2% respectively for small and medium enterprises as against 9.2.% and 29.8% for loan and family sources respectively for micro enterprises.

## **16. MARKET CHANNEL OF PRODUCTS/SERVICES**

The dominant market channel for the enterprises is the same locality, accounting for 89.8% for micro enterprises and 89.2% for small and medium enterprises.

## **17. BUSINESS REGISTRATION**

About 95.3% of the micro enterprises are not registered, while 19.22% of the small and medium enterprises are not registered. This calls for mainstreaming the informal economy into the formal assistance and intervention.

## **18. BUSINESS TURNOVER**

82.8% of micro enterprises had turnover below N50, 000.00 in 2009 as against 76.7% percent in 2010, reflecting an improvement of 6.1%. Business turnover of between N50, 000.00 and N1000, 000.00 stood at 11.3% and 14.0% in 2009 and 2010 respectively, representing an increase of 2.7%. While in the small and medium enterprises, the business turnover of below six million stood at 51.7% and 78.7% in 2009 and 2010 respectively, an indication of a better performance of 27% when compared. Turnover of between 6-15 million naira witnessed an improvement in 2010, representing 14.7% and 7.4% in 2009 and 2010 respectively.

## **19. PREPARATION OF BUSINESS PLAN**

21.76% of the small and medium enterprises do not prepared business plan, while 55.5% of micro enterprises operate without a business plan.

## **20. MSMEs CONTRIBUTION TO THE GROSS DOMESTIC PRODUCT(GDP)**

The survey reveals that MSMEs contributed 46.54 percent to the GDP in nominal terms as at December 2010. However, other community, social and personal services, real estate, renting and business activities and agricultural activities recorded the highest, representing 99.98 percent, 99.13 percent and 98.01 percent respectively. While building, construction and financial intermediation recorded the lowest, representing 10.76 percent and 5.32 percent respectively.

## **THE NATIONAL ENTERPRISE DEVELOPMENT PROGRAMME (NEDEP)**

NEDEP is a flagship programme of the Federal Ministry of Industry, Trade and Investment under the leadership of the Honorable Minister, Dr. Olusegun Aganga. It must be noted that most countries all over the world have used the platform of micro, small and medium enterprises to combat unemployment. The micro, small and medium enterprises have been known, all over the world to be the engine of economic growth, industrialisation, and contribute to employment generation, wealth creation, poverty reduction and food security.

The 2010 National MSME Survey conducted by SMEDAN in collaboration with the National Bureau of Enterprises puts the number of MSMEs in Nigeria at 17,284,671 with a total employment of 32,414,884 and contributing 46.54% to the GDP in nominal terms as stated above.

In order to efficiently reposition and develop the MSME Sector in Nigeria in a structured and sustainable manner to generate the much needed employment for the teeming youth population of this country and this Administration Agenda, the Federal Ministry of Industry, Trade and Investment evolved an innovative and inclusive

national enterprise development and wealth creation programme that will facilitate the creation of five million jobs between 2013 and 2015. The programme is being implemented by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Industrial Training Fund (ITF) and the Bank of Industry (BoI).

The 2010 National MSME Survey revealed that 73.24% of the **topmost priority of assistance needed by MSMEs' operators is finance**. In addition, only 4.2% of 17.2 million MSMEs have been able to access loans or overdrafts from financial institutions while new entrants or start-ups find it practically impossible to access funds from banks.

In order to address these challenges the **“NATIONAL ENTERPRISE DEVELOPMENT PROGRAMME (NEDEP)”** was developed. The programme, which is aimed at generating an estimated **5.0 million direct and indirect jobs** between 2013 and 2015, is focusing on **Skills Acquisition, Entrepreneurship Training/Business Development Service (BDS) and Access to Finance**. The entrepreneurship training/business development service component is being implemented under the One Local Government One Product (OLOP) platform.

The NEDEP, which is being coordinated by the **Small and Medium Enterprises Development Agency of Nigeria (“SMEDAN”)**, is guided by empirical research based on experiences of successful similar enterprise development initiatives in Africa and Asia and the OLOP pilot projects in Kano and Niger States.

The Agency has conducted sensitization/needs assessment programme in 22 States where agro and agro-allied products were selected in each of the LGAs of the various States based on comparative and competitive advantages. At the moment, the Agency is conducting baseline surveys and value-chain analysis in 6 pilot States. At the end of the programme, cooperative societies and trade associations will be formed and registered as a prelude to access to finance, markets and machinery/equipment.

In order to ensure a seamless implementation of the NEDEP/OLOP programme, an implementation structure has been developed. At the top of this structure is the National Council on MSMEs to be headed by the Vice-President. This Council is yet to be inaugurated. At the State level, there is the State Council on MSMEs. This is headed by the Governor. Presently, the State Councils on MSMEs in Kano, Edo, Kogi, Ebonyi, Bayelsa, Kaduna and Ogun States have been inaugurated. The inauguration of the State Councils on MSMEs in other States will be done subsequently.

## **RECOMMENDATIONS AND CONCLUSION**

The MSMEs are more likely to be able to play an important role in economic development if policies and programs that promote the following are in place:

- Stable financial development, effective and secure financial systems and targeted lending
- Good/strong institutions at all levels of government supporting and promoting

MSMEs. This will ensure corruption and regulatory burdens are minimized and rule of law, land and property rights, creditors' rights etc. are overcome accordingly.

- Good infrastructure and facilities that encourage MSMEs to pool their information and resources together
- High level of entrepreneurship and sufficient human capital development
- Promotion of and access to innovation and technology and adequate openness to foreign technology.
- Countries with good policies that encourage stable exchange rates, low inflation, minimize entry regulations and promote attainment of higher levels of education.
- As the economy grows, appropriate rules and regulations that encourage fair competition should be in place to guide the increasing number of enterprises involved in the domestic and export markets.
- Stable policies targeted at MSMEs that provide sustained support and guidance and encourage investment in the sector

Nigeria has abundant human, physical and other tangible resources necessary for rapid socio-economic development; these are however not sufficient due to the inability to synergize collectively individual entrepreneurial capabilities and capacities. SMEDAN as an Agency with the mandate to promote the development of MSMEs is prepared with your collaboration to provide the platform and opportunity to synergize and strategize towards a vibrant and robust agenda for efficient and sustainable micro and small enterprises in the Niger Delta. There should be a deliberate linkage between the private and public organisations for efficient partnership to drive innovation within the MSME sector.

There is now an urgent need for effective collaboration among the stakeholders through public-private-partnership model, which will translate into massive employment generation, wealth creation and poverty reduction through the establishment of micro and small enterprises along the local products/services value chain in the Niger Delta.

The key to the economic emancipation of Nigeria lies in the generation of sufficient financial revenue, foreign exchange, increased employment and the opening of her borders to global competition. It is reasonable to say that this is therefore firmly dependent upon the structured and orderly development of Nigeria's MSME sector through innovative approaches.

**Thank you and God bless.**

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